

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1550
ANSWERED ON:04.03.2016
LPG Subsidies
Azad Shri Kirti (JHA)

Will the Minister of FINANCE be pleased to state:

- (a) whether auto-credit of subsidy amount of LPG is not being credited in banks accounts after the Government had announced abolition of LPG subsidy for households with annual income above rupees ten lakhs;
- (b) whether the Government plans to abolish provision of LPG subsidy altogether;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) whether the Government proposes to check black-marketing of subsidised gas-cylinders which is due to dual-price policy for cooking gas; and
- (e) if so, the details thereof including the other steps taken by the Government in this regard?

Answer

Minister of State for Finance (SHRI JAYANT SINHA)

(a) Government vide letter dated 18.12.2015 communicated to all Public Sector Oil Marketing Companies (OMCs) that if a consumer or his/her spouse has taxable income of Rs. 10 lakh or above during the previous financial year computed as per the Income Tax Act, 1961, he/she is not eligible for LPG subsidy. Consequent to the decision, the Ministry of petroleum & Natural Gas issued detailed operational guidelines to enable such LPG consumers falling within the income group as mentioned above. The consumers are provided with various options to file self-declaration. Auto-credit of subsidized amount of LPG is discontinued upon receipt of self-declaration from the consumer concerned.

(b)&(c): There is no proposal currently under consideration to abolish LPG subsidy all together.

(d)&(e): There is a possibility of black marketing in domestic LPG cylinders by unscrupulous elements due to the lower retail price of LPG for domestic price vis-a- vis the market price for commercial LPG. OMCs are on vigil to prevent and take action against black marketing of cylinders. OMCs carry regular surprise inspections at distributors' premises, conduct refill audits, surprise checks at customers' premises, en-route checking of delivery vehicles etc.

Further, various initiatives have been taken by the Government viz. capping on supply of subsidized cylinders, de-duplication, a 24x7 LPG service portal www.mylpg.in which enables the LPG customer to see the delivery status of LPG distributor, launched 'PAHAL' for direct transfer of subsidy to the consumer, KYC exercise etc. which reduce the misuse and black marketing of subsidized LPG cylinders.
